



# California Fair Political Practices Commission

March 2, 1989

Christa V. Marks  
Lompoc City Council Member  
100 Civic Center Plaza  
Lompoc, CA 93438

RE: Your Request For Advice  
Our File No. A-89-067

Dear Mrs. Marks:

You have requested advice under the campaign provisions of the Political Reform Act (the "Act").<sup>1/</sup>

## FACTS

You currently hold the office of councilmember for the city of Lompoc. You control a political action committee which has an ending cash on hand of approximately \$500 as of January 1, 1989.

## QUESTIONS

(1) Are you required to file a Form 501 in order to keep a controlled committee's account active after December 31, 1988?

(2) What disclosure forms are required to be filed by an officeholder not involved in an election during 1989?

(3) May an officeholder transfer funds from his or her controlled committee's checking account to a savings account within the same banking institution?

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1/ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Administrative Code Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Administrative Code.

### CONCLUSIONS

(1) If an officeholder intends to solicit or raise funds after January 1, 1989, a Form 501 must be filed with the Fair Political Practices Commission. If an officeholder does not intend to raise additional funds after January 1, but will use the remaining cash on hand to pay off debts incurred during his or her last election or to use the remaining funds to pay current officeholder expenses, or for any other lawful purpose other than supporting his or her candidacy or supporting or opposing another persons's candidacy, a Form 501 need not be filed.

(2) Elected officeholders with controlled committees are required to file semi-annual statements for each half of the year whether or not they have had any activity during the six-month period covered by the statements. Officeholders with controlled committees may not use the Form 425 or the Form 470. They must use the Form 490, Candidate and Officeholder Campaign Statement--Long Form and Consolidated Campaign Statement.

(3) The Commission recently adopted a regulation that allows the transfer of funds from the campaign bank account to an interest-bearing savings account.

### ANALYSIS

The Act was recently amended due to the passage of Proposition 73 on June 7, 1988. Proposition 73 requires that prior to the solicitation or receipt of any contributions after January 1, 1989, an officeholder or candidate must file a statement of intention, Form 501. Proposition 73 added Section 85200 which states:

Prior to the solicitation or receipt of any contribution or loan, an individual who intends to be a candidate for an elective office shall file with the commission a statement signed under penalty of perjury of intention to be a candidate for a specific office.

Regulation 18520(a) copy enclosed, also provides that the statement required under Section 85200 must be filed before soliciting or receiving contributions for an election that occurred prior to January 1, 1989.

Elected city officeholders and their controlled committees are required to file semi-annual campaign statements whether or not they have received any contributions or made any expenditures. Semi-annual

statements are due on July 31, 1989 and January 31, 1990, with closing dates of June 30 and December 31, respectively. (Section 84200 and the "Information Manual on Campaign Disclosure Provisions of the Political Reform Act," copy enclosed.)

Regulation 18524 (copy enclosed), was recently adopted by the Commission. It clarifies that officeholders may transfer funds from their campaign bank accounts to interest-bearing savings accounts. The regulation further states that candidates must redeposit the funds in the campaign bank account before making any expenditures. The regulation states in part:

(a) All contributions received by a candidate shall be deposited in the candidate's campaign bank account established pursuant to Government Code Section 85201. The candidate shall make all campaign expenditures from the campaign bank account. Moneys in the candidate's campaign account shall be spent only on expenses associated with the candidate's election to the specific elective office designated in the statement of intention and expenses associated with holding that office.

(b) The candidate may transfer funds from the campaign bank account to certificates of deposit, interest-bearing savings accounts, money market accounts, or similar accounts which shall be established only for funds for the same elective office for which the campaign bank account was established. Prior to expenditure, the funds shall be redeposited in the candidate's campaign bank account.

If you have additional questions concerning these matters, please contact me at (916) 322-5662.

Sincerely,

Diane M. Griffiths  
General Counsel

  
By: Mary Ann Kvasager  
Political Reform Consultant

Enclosures



# CITY OF LOMPOC

MAYOR  
Marvin D. Loney

COUNCIL MEMBERS  
Ed Diaz, Christa V. Marks,  
J. D. Smith, Gene Stevens

CITY ADMINISTRATOR  
Gene L. Wahlers

January 24, 1989

Fair Political Practice Board  
P.O. Box 807  
Sacramento, CA 95804-0807

Dear Sir:

This is a follow-up to a phone conversation I had in January with someone in your department. I am requesting written verification in regards to maintaining campaign accounts.

I wish to keep my bank account open. I currently have approximately \$500 in it.

Please respond to the following:

1. Do I need to fill out any forms to keep it open? If so, which ones?
2. Which forms do I need to fill out on a regular basis. There is some confusion as to filling out the 470 and/or 425. Do I fill out both, or only one (I anticipate no major activity so will not need the 490)?
3. Can I transfer this account from a checking account to a savings account? This would be done within the same banking institution. Since I do not anticipate any activity I would rather keep this in savings rather than checking.

This account, by the way, is run by a committee, not myself, if that is information that would make a difference in the answers.

Please direct your response to me as soon as possible as I am eager to resolve this situation. Thank you for your time.

Sincerely,

Christa V. Marks  
Council Member



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Sincerely,

Christa V. Marks  
Council Member

JAN 30 11:45 AM '89  
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# California Fair Political Practices Commission

February 1, 1989

Honorable Christa V. Marks  
Councilmember  
City of Lompoc  
P.O. Box 8001  
Lompoc, CA 93438-8001

Re: Letter No. 89-067

Dear Ms. Marks:

Your letter requesting advice under the Political Reform Act was received on January 30, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

*Jeanne Pritchard*  
by *plh*  
Jeanne Pritchard  
Chief Technical Assistance  
and Analysis Division

JP:plh